BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 06-33 August 18, 2006

- **Shipments up 1.1% in June**
- **June wholesales slip 0.7%**
- **Entries from the US and overseas up 1.4% in June**

The Economy

- **BC manufacturers shipped $3.9 billion (*seasonally adjusted*) in goods in June, 1.1% more than in the previous month.** Producers of paper products saw shipments rise 4.2%, while shipments by food manufacturers edged down 0.3%. In total, producers of non-durables shipped 2.6% more than in May. Driven by a strong gains in shipments of fabricated metals (+3.4%) and computer & electronic products (+8.6%), durable goods managed to inch up (+0.1%), despite slips in other large manufacturing sectors such as wood products (-1.0%) and primary metals (-1.9%).

  Despite declines in six provinces, the total value of Canadian shipments was up 1.9% in June, bolstered by increases in the four largest provinces. Along with BC, manufacturers in Ontario (+1.2%), Alberta (+3.3%) and Quebec (+4.8%) saw shipments jump. Newfoundland & Labrador (-13.6%) and Saskatchewan (-6.3%) posted the biggest percentage declines. Canada's manufacturing sector has managed to maintain a steady level of shipments despite ever-escalating international competition and the appreciation of the Canadian dollar.

  Data Source: Statistics Canada

- **Sales by wholesalers in the province continued to seesaw in June, dropping off 0.7% (*seasonally adjusted*) after growing 0.8% in the previous month.** Canadian sales were off 0.6%, with only Quebec (+1.5%) and Alberta (+2.4%) posting increases. *Data Source: Statistics Canada*

- **Sales of new motor vehicles in the area comprised of BC and the territories continued to rev forward in June (+1.3% *seasonally adjusted*), marking the sixth increase in seven months.** Sales were mixed among the provinces resulting in a 0.6% slip at the national level. Newfoundland & Labrador (+9.9%) posted the strongest gain, while PEI saw the most substantial decline (-3.9%).

  June sales of both North American (+2.8%) and Overseas-built (+2.8%) passenger cars were up in Canada. However, the overall increase for new passenger vehicles (+3.5%) was not enough to offset a significant slip in sales of trucks, vans and buses (-5.0%). *Data Source: Statistics Canada*

Agriculture

- **As of July 1st, Canada's cattle herd was down by 810,000 head to 16.2 million, 4.7% less than the same date in 2005.** Most of these cattle were exported to the United States. This is the first decline in Canada's cattle herd in seven years, although it remains 814,000 head above the July 1st, 2002 level, prior to the US border closure in 2003. Exports of live cattle to United States has resumed since the border was re-opened in July of last year following the 2003 ban on Canadian beef due to BSE. The herd in Manitoba (-2.0%), Saskatchewan (-4.8%) and Alberta (-6.0%) combined plunged by 610,000 head, accounting for three quarters of the national decline. In BC, the cattle inventory was down by 85,000 head (-9.3%). *Data Source: Statistics Canada*

Tourism

- **The number of visitors entering Canada via BC borders continued to increase (+1.4%, *seasonally adjusted*) in June.** Entries from the US, which comprise most of the visits, advanced 1.4% as more visitors took same-day (+3.2%) and overnight trips (+1.1%). Travel to BC from overseas countries rose 1.6% in June, boosted by a 2.6% increase in the number of Asian entries, and 1.7% growth in travel from Oceania. European travellers also demonstrated more interest in coming to BC (+0.1%).

  Meanwhile, overall travel from the US to Canada fell 1.1% in June, as the number of same-

Report BC Population Projections

Did you know...
More than half (56%) of Canadian homeowners have a pet and 21% have altered their homes to accommodate their pet(s). *Source: Ipsos Reid for RBC Housing Survey*

day car travellers was the lowest on record. Travel to Canada from overseas was also down (-1.3%), while record numbers of Canadians travelled abroad. *Data Source: Statistics Canada & BC Stats*

- **Canadian hotel operators surveyed in July were less optimistic about their prospects for the peak summer months than they were in the previous quarter.** While 29% expect occupancy rates to rise, an almost equal share (27%) are anticipating declines. Forty percent of hoteliers expect to see an increase in room rates between July and September, more than double the 18% who think they will drop. Opinions are more divided between those expecting an increase (17%) and those anticipating a decline (27%) in corporate and commercial travel. However, most (55%) hoteliers expect to see no change.

  While 26% did not anticipate encountering any difficulties in the third quarter, the obstacles most frequently cited by those who had concerns were a shortage of unskilled (34%) or skilled (31%) labour and general economic conditions (27%) and excess room supply (22%). Twenty-two percent said a lack of attractions or complementary facilities in the vicinity is a concern, while 12% felt that Canada's reputation as a desired tourist destination is a likely business impediment. *Data Source: Statistics Canada*

Research & Development

- **Expenditure on research and development in BC's higher education institutions reached $831 million in 2004/2005, up 5.9% from the 2003/2004 level ($785 million).** Contributors of funds include the higher education sector itself (42%), the federal government (34%), private non-profit organisations (15%), the provincial government (5%) and business enterprises (4%). Seventy-eight percent of the funding in the province was allocated to natural sciences (including health sciences) and engineering. However, Social Sciences and Humanities benefited the most from the increased financial support receiving a 10.8% boost in funding for research and development compared to the previous year. Spending on research and development in Canada reached the $9 billion mark in 2004/2005, an increase of 10.5% over 2003/2004. *Data Source: SC Cat. # 88-001-XIE, Vol. 30 No. 5*

Internet Use

- **In 2005, 69% of British Columbians were surfing the Net, the third highest ratio in the country**. The only other provinces to record usage rates above the national average (68%) were Ontario (72%) and Alberta (71%). As in other provinces, urban areas had the biggest impact on overall rates in BC. Vancouver, for example, had a higher rate (71%) than the province as a whole.

  On a nation-wide basis, only 58% of Canadians living in small towns or rural areas accessed the internet in 2005 while the highest rates were in the large metropolitan areas of Calgary and Ottawa-Gatineau (both 77%). Income was also a factor in Internet usage as approximately 88% of adults with household incomes of $86,000 and above reported using the World Wide Web, while the proportion shrinks to 61% among those with incomes below $86,000. Similarly, young Canadians aged 18 to 44 (85%) were far more likely to surf the net than those aged 45 and up (50%). Approximately 90% of Internet users aged 18 or older accessed the Internet from home for personal, non-business reasons. Six in ten home users used it to do their banking and 55% used it to pay bills online. Meanwhile, forty-three percent of Canadian Internet users reported ordering goods or services over the Internet, while nearly three-quarters of all Canadians (Internet-users and non-users) expressed concern about online privacy and security. *Data Source: Statistics Canada*

Radio

- **The number of private FM radio stations in Canada reached 393 in 2005, up from 369 the previous year.** AM radio stations, on the other hand, continued their downward trend with a count of 182 stations, eight less than in 2004. Despite the decline in the number of stations, the advertising revenue of the AM radio segment edged up 0.7% to $302.6 million in 2005. Advertising for the FM segment climbed 11.3% over the same period, reaching over $1 billion.

Data Source: Statistics Canada

Infoline *Issue: 06-33*
August 18, 2006

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Issue 06-33
August 18, 2006

Contact: Dave O'Neil (250) 387-0376
Originally published in *Business Indicators* Issue 06-07. Annual Subscription $60 +GST

British Columbia Population Projections

Each year, BC Stats projects the population of the province and its regions, based on demographic and economic trends, modified to take into consideration possible future changes. This cycle, just published, is known as PEOPLE 31 and was completed in May 2006.

Introduction

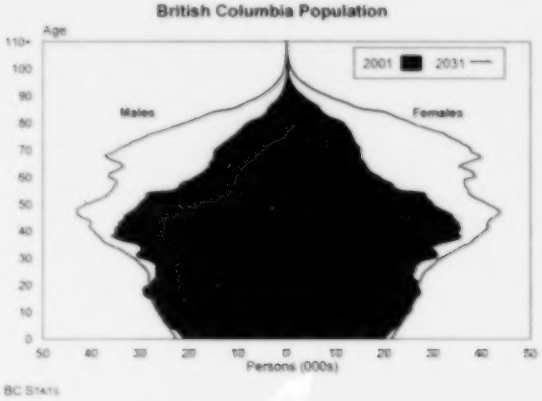
The demands for public services, such as schools, hospitals and roads, are closely related to population size and characteristics. In addition, marketing strategies of businesses are greatly influenced by the size and structure of the population. As a result, reliable population projections are an essential tool for planners in both the private and public sectors.

As we move into this new century, British Columbia faces unique challenges within Canada. Some of the major issues emerging in our province include:

- managing population growth that will put pressure on our urban communities, our environment and government resources;
- recognizing the changing ethnic make-up of the population and the need for better understanding of the values of cultural diversity;
- a health care system that must meet the needs of a growing and aging population; and
- growing economic and income disparities between our province's regions and people.

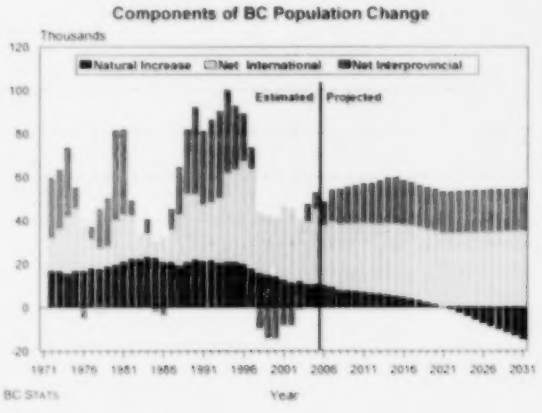
The following are some demographic highlights from PEOPLE Projection 31:

Becoming an older population



The British Columbia population is getting larger and older. Between 2001 and 2031, the population will have increased by over 37%. The median age of the population will have increased from 37.9 to 46.2 years.

Migration the most important factor



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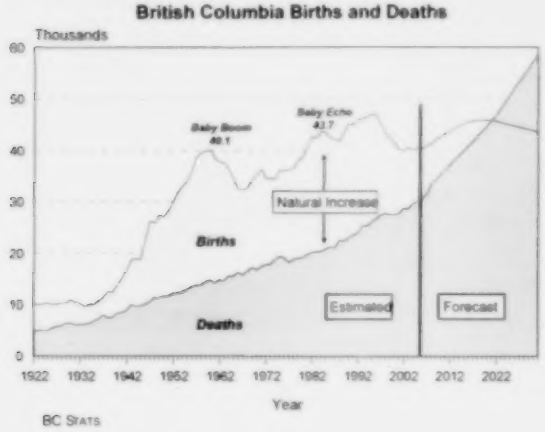
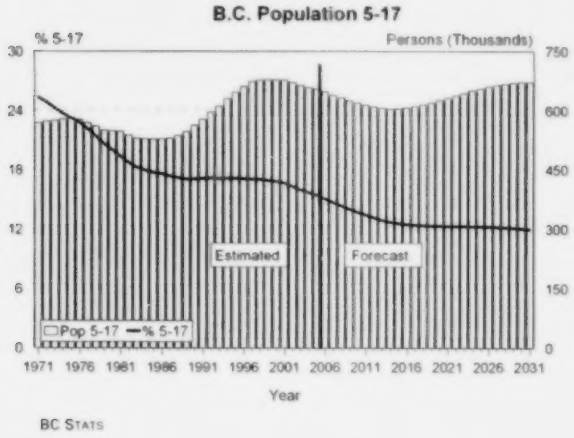
The major factor driving population growth will be migration to British Columbia. Between 2005 and 2031 international migration will account for 64% of the projected population gain, followed by interprovincial migration at 36%, and natural increase at less than one percent.

Deaths will surpass births



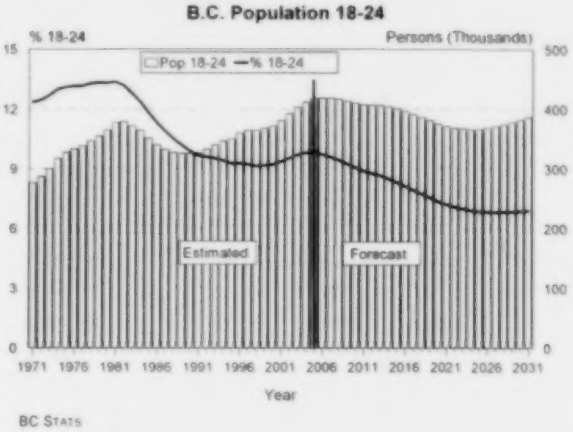
Even though the number of births in British Columbia will continue to rise, the contribution of natural increase to the overall population growth will decrease. Near the end of the forecast the number of deaths will exceed the number of births.

Declining share of school age group



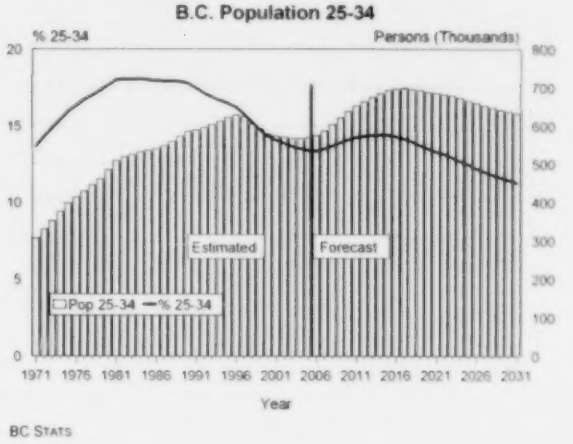
The population of school age (5–17 years) will decline slightly over the next ten years or so, but will then begin a slow increase up to recent levels by 2031. However, its share of the total provincial population will decline.

Post-secondary cohort changes little



The population of post-secondary school age (18–24 years) will remain relatively constant over the next decade but its share of total population will decline over the projection period.

Increase in first-time householders



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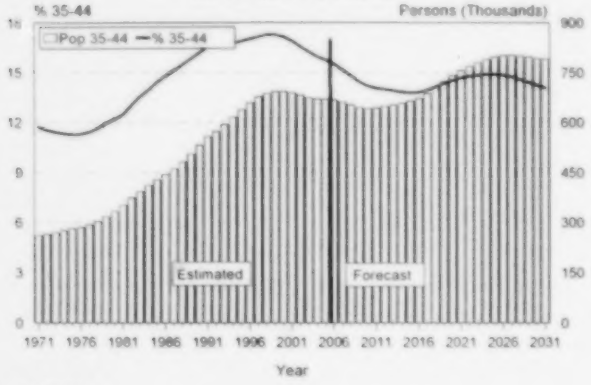
The population aged 25–34, which is generally associated with first time household formation, is expected to increase in absolute numbers and share over the next decade, then slowly decline for the remainder of the projection period.

Trailing edge of baby-boom cohort

The population currently aged 35–44 includes the youngest of the baby-boom cohort, now aged 41–44. The population in this age group is expected to fall slightly over the next ten years, and then return to strong growth.

B.C. Population 35-44



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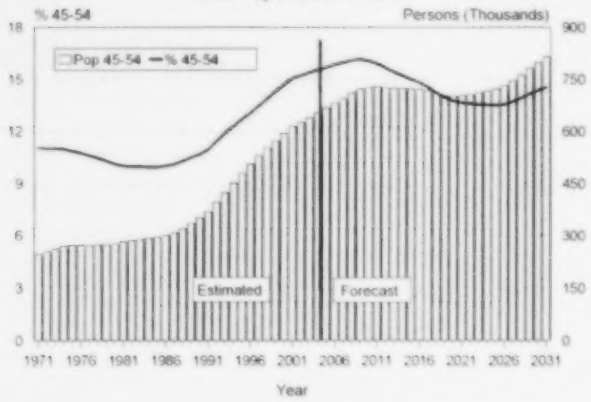
Competition for top positions

The population of mature labour force age (45–54 years) went through a period of slow growth for a couple of decades. In the last ten years this growth has increased in part due to the entry of older baby-boomers into this age group. As a result, the population is increasing significantly. This will have repercussions on the labour force, especially in terms of meeting career goals. Many people in this age group will be competing for a limited number of higher level jobs.

B.C. Population 45-54



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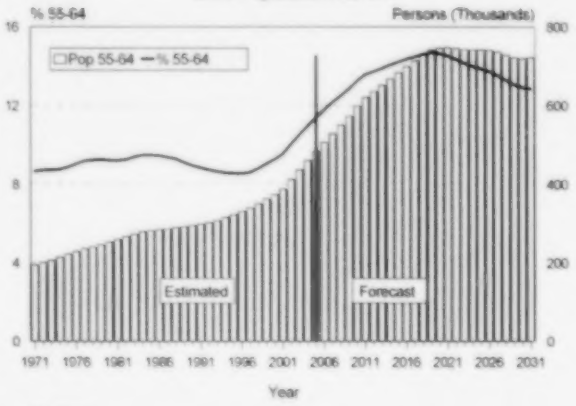
Early retirement options

B.C. Population 55-64



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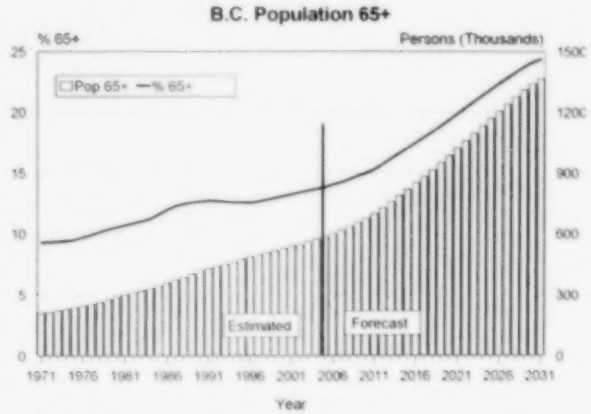
Both the share and size of those aged 55–64 will increase strongly in the first 15 years of the projection. If greater numbers of this age group opt for early retirement (before 65) the effect may be felt in increased turnover in the labour market and greater demand for retirement housing and services.

Senior age group becoming larger

B.C. Population 65+



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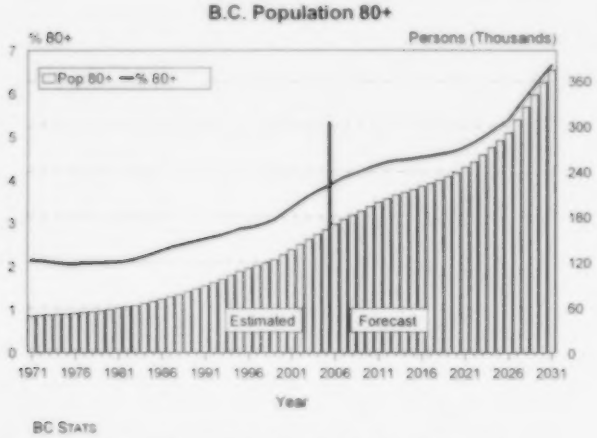
Both the share and overall population of retirement age (65+) will continue to increase sharply (from 13.2 per cent in 2001 to 24.4 per cent in 2031). This will result in a significant increase in regionally focused demand for community services for this group.

Health costs rise with longevity



The very senior population (80+) will also increase significantly, growing from 3.3 per cent of the population in 2001 to 6.7 per cent in 2031. This increase will have a serious impact on health care expenditures given the higher per capita health costs associated with people older than 80.

Detailed projections, each 13 pages long in Adobe Acrobat PDF format, include a map, "Economic and Demographic Notes", four pages of population pyramids and charts, "Components of Change", "Special Age Groups", "Five Year Age Groups by Sex", are available for BC, the eight development regions, the 28 regional districts, the 89 local health areas, 59 school districts, and a number of special areas of local interest. Total population summaries appear free on our Internet site.

Both the PDF reports and comma-delimited data files are available for purchase from the BC Stats webstore:

www.bcstats.gov.bc.ca/store.htm

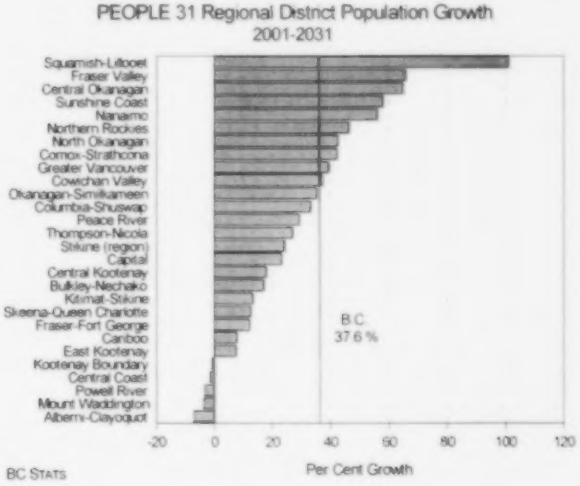
Prices for individual areas vary from $6 to $1.25 for the PDF report, and $12 to $2.50 for the data files (including the PDF report), depending on how many regions are purchased.

Regional Population Projections

Regional District Population Growth

There are substantial disparities with respect to projected growth among the 28 British Columbia Regional Districts. Southern regions of the province will likely see much higher growth rates than regions in the north.

Figure 12

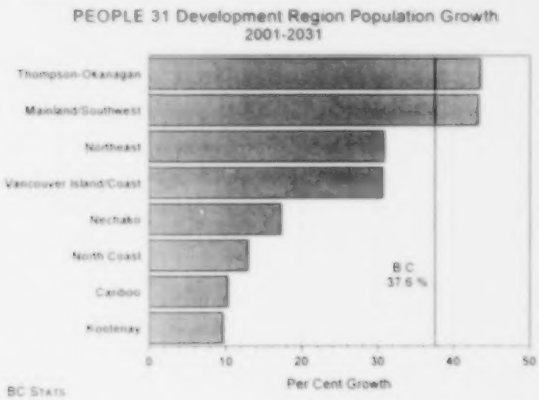


One of the reasons for this is that the economic base in the northern regions is far more resource dependent than the Lower Mainland, the lower portion of Vancouver Island, and the Okanagan. The regions that are expected to experience a decline tend to be those that are heavily dependent on resource extraction industries.

Development Region Population Growth

Figure 13, which depicts growth by Development Region, exhibits strong growth in the southwest. Both the Mainland-Southwest and Thompson-Okanagan regions are expected to experience over 40 per cent growth over the 2001 to 2031 period. The slower growth in the Kootenay region is largely due to the anticipated sluggish growth in mining and forestry activity, due in part to resource constraints and increased productivity. An anticipated increase in tourism activity in the East Kootenays will enhance the growth prospects for the region.

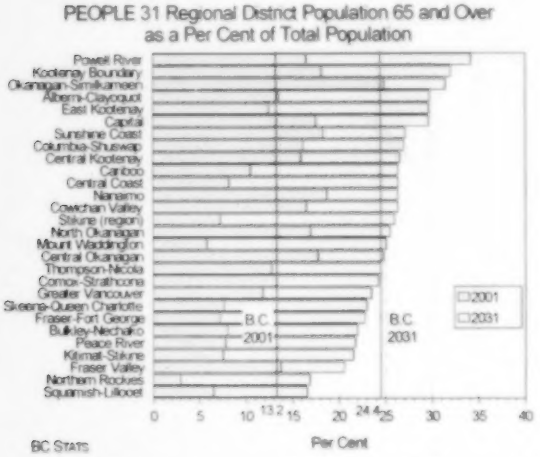
Figure 13



Regional District Population 65+

There are regional differences with respect to age as well. Currently, the population 65 and over (as a percent of total population) is much smaller in most of the remote areas, and greater in the more populous, southern regions of the province.

Figure 14



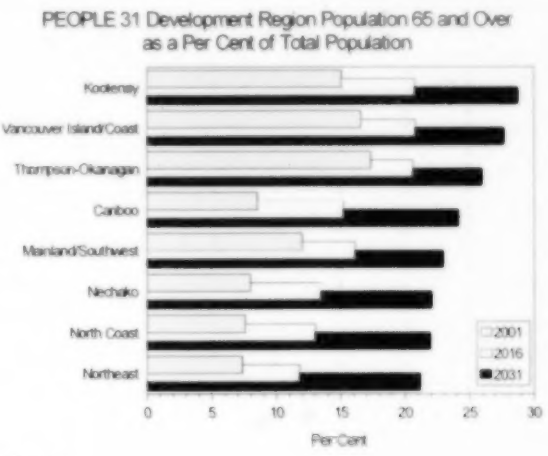
This is largely a combination of the greater access to services (particularly those related to health care) in the larger centres, and the more pleasant climate of the southern regions, which attracts the elderly looking for a place to retire.

The Regional District chart in Figure 14 indicates that some regions will experience proportionately larger increases in the per cent of population over 65. In many of these cases, this is the result of differential rates of migration to or from an area. Migrants tend to be younger than the population at large. Hence, in regions of high net inflows of population the aging process is slowed. Alternatively, where there is a net outflow, population aging accelerates.

Development Region Population 65+

On a larger scale, the Development Regions show a similar pattern of a more aged population in the south. However, some regions to the north will see proportionately larger increases in the proportion of the population over 65.

Figure 15



Infoline

August 18, 2006
Issue 06-33

fax transmission information service from **BC STATS**

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/06	% change on one year ago
BC	4,292.2	1.3
Canada	32,501.1	1.0
GDP and INCOME		
(BC - at market prices)	2005	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	168,011	6.8
GDP *($ 1997 millions)*	144,028	3.5
GDP *($ 1997 per Capita)*	33,853	2.2
Personal Disposable Income *($ 1997 per Capita)*	20,693	2.5
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	3,851	1.1
Merchandise Exports - Jun	2,923	7.7
Retail Sales - May	4,491	1.3
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jun 2006)		
BC	2.2	2.0
Vancouver	2.1	1.8
Victoria	1.9	2.1
Canada	2.5	2.5
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Jul '06	
Labour Force - BC	2,304	0.6
Employed - BC	2,196	0.2
Unemployed - BC	108	11.3
		Jun '06
Unemployment Rate - BC *(percent)*	4.7	4.3
Unemployment Rate - Canada *(percent)*	6.4	6.1
INTEREST RATES (percent)	Aug 16/06	Aug 17/05
Prime Business Rate	6.00	4.25
Conventional Mortgages - 1 year	6.60	5.00
- 5 year	6.95	5.90
US/CANADA EXCHANGE RATE	Aug 16/06	Aug 17/05
(avg. noon spot rate) Cdn $	1.1161	1.2076
US $ *(reciprocal of the closing rate)*	0.8947	0.8243
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Jul '06	
BC	721.25	3.2
Canada	729.45	3.9

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC and Regional population projections

Projected population to 2031 for British Columbia and a variety of small regions within B.C. (P.E.O.P.L.E. 31).

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp#admin

Regional employment projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices 2005

Updated annually, this body of work provides a coherent and relatively comprehensive measurement of social stressors at sub-provincial areas. Charts, tables and, within the indices, consolidated rankings, make the information broadly accessible.

www.bcstats.gov.bc.ca/data/sep/index.asp

Released this week by BC STATS

- No subscription releases

Next week

- Consumer Price Index, July 2006
- Quarterly Regional Statistics, 2nd Quarter 2006

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